

EXHIBIT C

Summary of Terms and Conditions of Proposed Agreement and Plan of Conversion

[ATTACHED]

SUMMARY OF TERMS AND CONDITIONS OF PROPOSED AGREEMENT AND PLAN OF CONVERSION

This Summary of Terms and Conditions outlines the principal non-binding terms and conditions contemplated for a proposed agreement and plan of conversion (the "Agreement") between Ashford University, LLC and Bridgepoint Education, Inc. These terms and conditions, including consideration terms, are for discussion purposes only, are strictly confidential, are not intended to be binding, and remain subject to negotiation and ultimate approval of the parties and ongoing regulatory due diligence. Any obligations on the parties will be created only upon the execution of a definitive Agreement, the provisions of which will supersede this term sheet and all other understandings between the parties.

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
<i>Parties to the Agreement:</i>	<p>Bridgepoint Education, Inc. ("BPI")</p> <p>Ashford University, LLC, a California limited liability company ("Ashford LLC") and owner and operator of Ashford University (the "University") prior to the Nonprofit Conversion</p> <p>AU NFP, a California nonprofit public benefit corporation ("AU NFP") and owner and operator of the University on and after the Nonprofit Conversion.</p>
<i>Purpose of the Agreement:</i>	The Agreement memorializes the terms and conditions by which the University will become owned and operated by a tax-exempt California nonprofit public benefit corporation that is independent of BPI (the "Nonprofit Conversion").
<i>Conversion Steps Generally:</i>	The parties will implement the Nonprofit Conversion through a series of transactions, all of which will occur in immediate successive order following the receipt of all requisite regulatory approvals, including, without limitation, approval by the WASC Senior College and University Commission ("WSCUC"), an acceptable review by the U.S. Department of Education (the "DOE"), approval by applicable state regulatory bodies, and approval by the Internal Revenue Service of the Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code for AU NFP, a California nonprofit public benefit corporation ("AU NFP").
<i>Step 1 – Conversion of Ashford LLC to a California Stock Corporation</i>	<p>Ashford LLC shall convert from a California limited liability company into a California stock corporation under the California Corporations Code by the filing of Articles of Incorporation with Statement of Conversion (the "Instrument of Conversion") with the California Secretary of State (the resulting California corporation, "Ashford Inc."). As a result of this initial conversion (the "First Conversion"):</p> <ul style="list-style-type: none">• all membership interests then held by BPI in Ashford LLC will be

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	<p>extinguished and BPI will receive 100% of the shares of common stock in Ashford Inc.;</p> <ul style="list-style-type: none">• all (i) rights and property, whether real, personal or mixed, of Ashford LLC shall be vested in Ashford Inc., (ii) debts, liabilities, and obligations of Ashford LLC shall continue as debts, liabilities and obligations of Ashford Inc., (iii) rights of creditors and liens upon the property of Ashford LLC shall be preserved unimpaired and remain enforceable against Ashford Inc. to the same extent as against Ashford LLC as if the First Conversion had not occurred, and (iv) actions or proceedings pending by or against Ashford LLC may be continued against Ashford Inc. as if the First Conversion had not occurred; and• the officers and trustees of Ashford LLC shall become the officers and directors of Ashford Inc.
<i>Step 2 – Conversion of Ashford Inc. to Ashford NFP-1:</i>	<p>As promptly as practicable following the First Conversion, Ashford Inc. will be further converted from a California corporation into a California nonprofit public benefit corporation under the California Corporation Code by the filing of a Certificate of Amendment to the Articles of Incorporation of Ashford Inc. (the “<i>Nonprofit Charter Amendment</i>”) with the California Secretary of State (the resulting California nonprofit public benefit corporation is hereinafter referred to as “<i>Ashford NFP-1</i>”). As a result of this further conversion (the “<i>Second Conversion</i>”):</p> <ul style="list-style-type: none">• all shares of common stock then held by BPI in Ashford Inc. will be extinguished in exchange for certain conversion consideration described further below, and Ashford NFP-1 will not have any members or owners;• all (i) rights and property, whether real, personal or mixed, of Ashford Inc. shall be vested in Ashford NFP-1, (ii) debts, liabilities, and obligations of Ashford Inc. shall continue as debts, liabilities and obligations of Ashford NFP-1, (iii) rights of creditors and liens upon the property of Ashford Inc. shall be preserved unimpaired and remain enforceable against Ashford NFP-1 to the same extent as against Ashford Inc. as if the Second Conversion had not occurred, and (iv) actions or proceedings pending by or against Ashford Inc. may be continued against Ashford NFP-1 as if the Second Conversion had not occurred; and• the officers and directors of Ashford Inc. shall become the officers and trustees of Ashford NFP-1.
<i>Step 3 – Merger of Ashford NFP-1 with and into AU NFP</i>	<p>As promptly as practicable following the Second Conversion, Ashford NFP-1 will be merged with and into AU NFP (the “<i>NFP Merger</i>”) under the California Corporation Code by the filing of an Agreement of Merger (the “<i>Agreement of Merger</i>”) and Certificates of Approval of Agreement of Merger (the “<i>Certificates of Approval of Agreement of Merger</i>”) with the California Secretary of State. No consideration will</p>

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	<p>be paid in the NFP Merger. As a result of the NFP Merger:</p> <ul style="list-style-type: none">• AU NFP will be the surviving entity in the NFP Merger and the corporate existence of AU NFP shall continue as the successor-in-interest to Ashford LLC, Ashford Inc., and Ashford NFP-1;• the separate corporate or limited liability company existences of Ashford LLC, Ashford Inc., and Ashford NFP-1 shall cease;• all (i) rights and property, whether real, personal or mixed, of Ashford LLC, Ashford Inc., and Ashford NFP-1 shall be vested in AU NFP, (ii) debts, liabilities, and obligations of Ashford LLC, Ashford Inc., and Ashford NFP-1 shall continue as debts, liabilities and obligations of AU NFP, (iii) rights of creditors and liens upon the property of Ashford LLC, Ashford Inc., and Ashford NFP-1 shall be preserved unimpaired and remain enforceable against AU NFP to the same extent as against Ashford LLC, Ashford Inc., and Ashford NFP-1 as if the First Conversion, Second Conversion and NFP Merger had not occurred, and (iv) actions or proceedings pending by or against Ashford LLC, Ashford Inc., and Ashford NFP-1 may be continued against AU NFP as if the First Conversion, Second Conversion and NFP Merger had not occurred; and• AU NFP will continue to use its existing Articles of Incorporation and Bylaws following the NFP Merger;• the officers and trustees of AU NFP will remain in place following the NFP Merger;• AU NFP will be renamed “Ashford University”; and• the effects of the NFP Merger shall otherwise be as prescribed by applicable law.
<i>Consideration:</i>	<p>As consideration for the cancellation of BPI’s stock in Ashford Inc. in the Second Conversion, and as consideration for the Nonprofit Conversion generally, Ashford NFP-1 (as successor-in-interest to Ashford LLC and Ashford Inc.) will provide the following consideration to BPI at Closing:</p> <ul style="list-style-type: none">• Ashford NFP-1 will enter into an online program management services agreement (the “<i>OPM Services Agreement</i>”) and a transition services agreement (the “<i>Transition Services Agreement</i>”), in each case, with BPI, which OPM Services Agreement and Transition Services Agreement (collectively, the “<i>Services Agreements</i>”) will be assumed by AU NFP by operation of law in the NFP Merger (the proposed terms of the Services Agreements are separately summarized in a Summary of Terms and Conditions of Proposed Services Agreements (the “<i>Services Term Sheet</i>”); and• Ashford NFP-1 will pay to BPI an agreed upon amount of additional consideration (the “<i>Additional Consideration</i>”). In no event will the amount of the Additional Consideration exceed the fair market value

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	<p>of the University as determined in an independent valuation to be obtained by Ashford LLC. In the event that the Additional Consideration is more than a <i>de minimis</i> amount, it will be paid pursuant to a mutually agreeable, long term promissory note containing customary, market terms and conditions.</p> <p>The parties are committed to ensuring that the aggregate consideration paid to BPI for the Nonprofit Conversion, when considered together with the consideration paid to BPI for the services under the Services Agreements, will not, in the aggregate, exceed the fair value of the benefits to be received by AU NFP (as the intended successor-in-interest to Ashford LLC, Ashford Inc., and Ashford NFP-1) in both the Nonprofit Conversion and under the Services Agreements. Accordingly, each party will engage an independent third-party valuation expert to perform independent valuation studies to determine the fair market value of the University itself and services provided under the Services Agreements, and the parties will ensure that aggregate consideration paid to BPI is consistent with these independent valuation studies.</p>
<i>Closing:</i>	The closing of the transactions contemplated by the Agreement (the “ <i>Closing</i> ”) shall take place remotely via the electronic or other exchange of documents and signature pages at 9:00 a.m. Pacific Time on the date that is the first business day following the satisfaction or waiver of the conditions to closing described below. The date on which the Closing occurs is referred to as the “ <i>Closing Date</i> .”
<i>BPI Closing Deliveries:</i>	<p>The following will be delivered by BPI to Ashford LLC at the consummation of the transactions contemplated by the Agreement (the “<i>Closing</i>”):</p> <ul style="list-style-type: none">• written evidence that the Nonprofit Conversion has been approved by all requisite action on the part of BPI (as sole member of Ashford LLC and sole shareholder of Ashford Inc.), its board of directors, and (if applicable) its stockholders;• the Services Agreements;• leases or subleases on mutually agreeable market terms for locations that will continue to be used in the operation of the University after the Closing (collectively, the “<i>Leases</i>”);• an agreement terminating the existing Shared Services Agreement (the “<i>Termination Agreement</i>”); and• such additional closing deliverables as are generally customary for similar transactions.
<i>Ashford LLC and AU NFP Closing Deliveries:</i>	<p>The following will be delivered by Ashford LLC and/or AU NFP to BPI at the Closing:</p> <ul style="list-style-type: none">• written evidence that the Nonprofit Conversion has been approved

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	<p>by all requisite action on the part of the boards of Ashford LLC, Ashford Inc., Ashford NFP-1, and AU NFP;</p> <ul style="list-style-type: none">• the Services Agreements;• the Additional Consideration;• the Leases;• the Termination Agreement;• written communication from WSCUC approving the Nonprofit Conversion and the Services Agreements (to the extent required) without imposition of materially burdensome conditions or restrictions on the University;• written communication from the DOE that (i) it will recognize and treat, or sees no material impediment to recognizing and treating, the University as a nonprofit institution of higher education under the HEA under the ownership of AU NFP upon the Closing Date and (ii) does not identify any material impediment to issuing the University a temporary provisional program participation agreement following the closing, or a provisional program participation agreement following the DOE's post-closing review of the change in ownership, without imposition of materially burdensome conditions or restrictions on the University's participation in Title IV programs or on either Party's rights or obligations under the Services Agreement following the Closing;• a determination letter from the Internal Revenue Service indicating that AU NFP has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (the "<i>501(c)(3) Determination Letter</i>");• written communication from each educational agency that requires a pre-closing approval in connection with the Nonprofit Conversion that approves the Nonprofit Conversion and the Services Agreement (to the extent required) without imposition of materially burdensome conditions or restrictions on the University;• written evidence that AU NFP has:<ul style="list-style-type: none">• registered as a nonprofit with the California Attorney General's Office;• provided written notice to the California Attorney General of the NPF Merger at least 20 days prior to the Closing;• obtained a California income tax exemption from the California Franchise Tax Board; and• obtained a California sales and use tax exemption from the California Board of Equalization;• the Instrument of Conversion, as filed with the California Secretary of State with respect to the First Conversion;• copies of organizational consents establishing the officers, directors, and bylaws of Ashford Inc.;• the Nonprofit Charter Amendment, as filed with the California

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	<p>Secretary of State with respect to the Second Conversion;</p> <ul style="list-style-type: none">the Agreement of Merger and Certificates of Approval of Agreement of Merger, as filed with the California Secretary of State with respect to the NFP Merger; andsuch additional closing deliverables as are generally customary for similar transactions.
<i>BPI Representations and Warranties:</i>	<p>BPI will make customary representations and warranties, including, without limitation, representations and warranties with respect to the following matters:</p> <ul style="list-style-type: none">organization and qualification;*authority relative to the transaction documents;*consents and approvals; no violations;ownership of Ashford LLC/capitalization;*education regulatory matters;*compliance with Rules of Engagement between the parties; andsuch other representations as may be mutually agreed to by the parties. <p>Representations and warranties noted above with an asterisk will be considered "<i>Fundamental Representations</i>".</p>
<i>Ashford LLC and AU NFP Representations and Warranties:</i>	<p>Ashford LLC and AU NFP will make customary representations and warranties with respect to the following matters:</p> <ul style="list-style-type: none">organization and qualification;*authority relative to the transaction documents;*consents and approvals; no violations; licenses;sufficiency of funds;acknowledgment of opportunity to perform due diligence and non-reliance; andcompliance with Rules of Engagement between the parties. <p>Representations and warranties noted above with an asterisk will be considered "<i>Fundamental Representations</i>".</p>
<i>Covenants of the Parties:</i>	<p>Each party will agree to covenants that are generally customary for similar transactions, including regarding the following:</p> <ul style="list-style-type: none">pre-Closing access rights for due diligence purposes;confidentiality;cooperation;further assurances;conduct of business prior to the Closing;public announcements;

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	<ul style="list-style-type: none">• insurance; and• tax matters. <p>In addition:</p> <ul style="list-style-type: none">• Prior to the Closing, BPI will transfer to Ashford LLC such assets (including, without limitation, intellectual property) as the parties mutually agree are reasonably necessary for the conduct by Ashford LLC and AU NFP (as its intended successor in interest) of the Core University Functions (as defined in the Services Term Sheet).• BPI and Ashford LLC will develop a mutually agreeable protocol for the discharge, assignment, or other handling of Ashford LLC liabilities that are extraneous to the Core University Functions.• BPI will procure for Ashford LLC and its officers and trustees, at BPI's cost and expense, run-off insurance coverage for pre-Closing officer and trustee liabilities;
<i>Mutual Closing Conditions:</i>	<p>The respective obligations of each party to consummate the Nonprofit Conversion will be subject to the satisfaction (or written waiver by all parties) of the following conditions precedent:</p> <ul style="list-style-type: none">• no action or proceeding by a governmental entity or educational agency attempting to prevent the Nonprofit Conversion has been commenced and be continuing;• no law or educational requirement prevents a party's entry into the Agreement or consummation of the Nonprofit Conversion;• all educational regulatory consents that are required to be obtained prior to the Closing and that are material to the operation of the University shall have been obtained without materially burdensome conditions or restrictions;• the parties shall have provided written notice of the Nonprofit Conversion to each educational agency from which an educational consent is required to be obtained after the Closing, and no such educational agency shall have indicated (i) that it is unlikely to provide, or that any material impediments exist to providing, any such educational consent, or (ii) that it is likely to impose materially burdensome conditions or restrictions on the University;• the DOE shall have issued a written communication that (i) states that it will recognize and treat, or sees no material impediment to recognizing and treating, the University as a nonprofit institution of higher education under the HEA under the ownership of AU NFP upon the Closing Date, and (ii) does not identify any material impediments to issuing the University a temporary provisional program participation agreement following the Closing, or a provisional program participation agreement following the DOE's post-closing review of the change in ownership, without imposition

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	<p>of materially burdensome conditions on the University's participation in Title IV programs or on either Party's rights or obligations under the Services Agreement following the Closing;</p> <ul style="list-style-type: none">• AU NFP has received the 501(c)(3) Determination Letter;• AU NFP has obtained a California income tax exemption from the California Franchise Tax Board; and• all other governmental and material third-party consents and approvals required for the consummation of the Nonprofit Conversion have been obtained.
<i>Conditions to Ashford's Obligation to Close:</i>	<p>The obligations of Ashford LLC and AU NFP to consummate the Nonprofit Conversion will be subject to the satisfaction (or written waiver by Ashford LLC) of the following conditions precedent:</p> <ul style="list-style-type: none">• BPI's Fundamental Representations, and all BPI representations and warranties qualified by materiality, are true and correct as of the Closing Date;• all other BPI representations and warranties are true and correct as of the Closing Date in all material respects;• all of BPI's covenants required to be performed prior to the Closing Date have been performed;• the balance sheet of Ashford LLC (and, therefore, AU NFP as its intended successor-in-interest) includes an agreed amount of cash;• BPI has delivered all of the closing deliveries required of it as noted above; and• such other closing conditions as may be mutually agreed to by the parties.
<i>Conditions to BPI's Obligation to Close:</i>	<p>The obligations of BPI to consummate the Nonprofit Conversion will be subject to the satisfaction (or written waiver by BPI) of the following conditions precedent:</p> <ul style="list-style-type: none">• Ashford LLC's and AU NFP's Fundamental Representations, and all of their respective representations and warranties qualified by materiality, are true and correct as of the Closing Date;• all other Ashford LLC and AU NFP representations and warranties are true and correct as of the Closing Date in all material respects;• all of Ashford LLC's and AU NFP's covenants required to be performed prior to the Closing Date have been performed;• each of Ashford LLC and AU NFP has delivered all of the closing deliveries required of it as noted above; and• such other closing conditions as may be mutually agreed to by the parties.
<i>Termination:</i>	<p>BPI and Ashford LLC can mutually agree in writing to terminate the Agreement at any time before the Closing.</p> <p>Either BPI or Ashford LLC can unilaterally terminate the Agreement as</p>

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	<p>follows:</p> <ul style="list-style-type: none">• if the Closing has not occurred by June 30, 2019;• if any law or educational requirement prohibits or makes illegal the Nonprofit Conversion;• if any educational agency (including DOE or WSCUC) refuses to grant or issue, or indicates in writing that it will decline to grant or issue, any required governmental educational consent or approval required for the Nonprofit Conversion or for the University to be recognized and treated as a nonprofit institution of higher education without imposition of materially burdensome conditions or restrictions on the University's participation in Title IV programs following the Closing; or• if the IRS declines to issue the 501(c)(3) Determination Letter.
<i>Indemnification – Survival Periods:</i>	<p>BPI's and Ashford LLC's/AU NFP's Fundamental Representations survive the Closing until 60 days after the expiration of the applicable statute of limitations.</p> <p>BPI's and Ashford LLC's/AU NFP's general representations and warranties survive the Closing until 18 months after the Closing Date.</p> <p>Specific indemnification items of each of BPI and Ashford LLC/AU NFP survive indefinitely.</p>
<i>Indemnification – BPI:</i>	<p>BPI will indemnify Ashford LLC, AU NFP, and their respective representatives (collectively, the "<i>Ashford Indemnitees</i>") against:</p> <ul style="list-style-type: none">• any breach of a representation or warranty made by BPI;• any breach of a covenant made by BPI;• any claims or liabilities with respect to the ownership or operation of the University prior to the Closing; and• such other specific losses and circumstances as may be mutually agreed to by the parties. <p>BPI will not be obligated to indemnify any Ashford Indemnitee for losses arising out of breaches of BPI's representations and warranties (other than Fundamental Representations) unless and until such losses exceed an agreed threshold (the "<i>Threshold</i>"), after which BPI will be obligated to indemnify such Ashford Indemnitees for the entire amount of such losses, regardless of the Threshold.</p> <p>BPI will not be obligated to indemnify the Ashford Indemnitees for losses arising out of breaches of BPI's representations and warranties (other than Fundamental Representations) that exceed an agreed cap (the "<i>Cap</i>").</p> <p>The limitations set forth above do not apply in the case of BPI's fraud or</p>

Provision / Term	Terms of Proposed Agreement and Plan of Conversion
	intentional misrepresentation.
<i>Indemnification –AU NFP:</i>	<p>AU NFP will indemnify BPI and its representatives against:</p> <ul style="list-style-type: none">any breach of a representation or warranty made by Ashford LLC or AU NFP;any breach of a covenant made by Ashford LLC or AU NFP; andsuch other specific losses and circumstances as may be mutually agreed to by the parties. <p>Ashford LLC's and AU NFP's indemnification obligations shall be subject to the Threshold and Cap to the same extent as BPI's indemnification obligations. Such limitations do not apply in the case of Ashford LLC's or AU NFP's fraud or intentional misrepresentation.</p>
<i>Indemnification – Additional Provisions:</i>	<p>The amount of losses for which indemnification is available under the Agreement will be net of any amounts received or reasonably expected to be received by the indemnified person from third party insurance or other sources related to such claim.</p> <p>AU NFP and the representatives of Ashford LLC, AU NFP, and BPI are express, intended third-party beneficiaries of the indemnification provisions.</p> <p>Neither party shall be liable for incidental, consequential, indirect, or special losses.</p> <p>Except in the case of fraud or intentional misrepresentation, the indemnification provisions of the Agreement are the sole and exclusive remedy of an indemnified person.</p> <p>For purposes of the parties' respective indemnification obligations, representations and warranties shall not be deemed qualified by any references to materiality, material adverse effect, or the like.</p> <p>The right of indemnification will not be affected by any investigation conducted or any knowledge acquired at any time by any indemnified person.</p> <p>The parties will establish a mutually agreeable protocol for ensuring that BPI retains adequate resources for satisfying its indemnification obligations.</p>
<i>Assignment:</i>	The Agreement cannot be assigned by either party without the prior written consent of the other, except that the Agreement (and all applicable transaction documents) may be assigned to and assumed by AU NFP by operation of law as Ashford LLC's successor-in-interest in the Nonprofit Conversion.

EXHIBIT D
Summary of Terms and Conditions of Proposed Services Agreements

[ATTACHED]

SUMMARY OF TERMS AND CONDITIONS OF PROPOSED SERVICES AGREEMENTS

This Summary of Terms and Conditions outlines the principal non-binding terms and conditions contemplated for a proposed online program management services agreement (the “OPM Agreement”) and a proposed transition services agreement (the “Transition Agreement” and, together with the OPM Agreement, the “Services Agreements”) between Bridgepoint Education, Inc. and Ashford University, Inc., a California nonprofit public benefit corporation and the successor by conversion of Ashford University, LLC. These terms and conditions, including pricing terms, are for discussion purposes only, are strictly confidential, are not intended to be binding, remain subject to negotiation and ultimate approval of the parties, and are subject to ongoing regulatory due diligence. Any obligations on the parties will be created only upon the execution of definitive Services Agreements, the provisions of which will supersede this term sheet and all other understandings between the parties.

Provision / Term	Terms of Proposed Services Agreements
<i>Parties to the Agreements:</i>	<p>Bridgepoint Education, Inc. (“BPI”)</p> <p>Ashford University, Inc., a California nonprofit public benefit corporation (“Ashford NFP-I”), and successor-in-interest by conversion to Ashford University, LLC</p> <p>Ashford NFP-I is to be merged with and into AU NFP, a California nonprofit public benefit corporation (“AU NFP”), with AU NFP being the surviving entity in the merger and with the Services Agreements being assumed by AU NFP by operation of law in the merger.</p> <p>For purposes of this Summary of Terms and Conditions, the term “University” refers to AU NFP-I prior to such merger and AU NFP following such merger.</p>
<i>Services to be Provided Under the OPM Agreement:</i>	<p>Under the terms of the OPM Agreement, BPI shall provide to the University a specific set of academic support, enrollment, institutional support, and information technology services, as described on <u>Exhibit A</u> hereto (the “OPM Services”).</p> <p>The OPM Agreement will make clear that the University is and shall remain solely responsible for, and will provide and perform at its sole cost and expense, and within its sole discretion and oversight, the core university functions listed on <u>Exhibit B</u> hereto (the “Core University Functions”).</p>
<i>Services to be Provided under the Transition Agreement:</i>	<p>The parties understand and agree that certain transition services listed on <u>Exhibit C</u> hereto (the “Transition Services”), and together with the OPM Services, the “BPI Services”), which Transition Services are not typically provided by online program management companies, will initially be provided by BPI to the University. The Transition Services will eventually be transitioned to, and performed by, the University (or a third-party service provider designated by the University) within five</p>

Provision / Term	Terms of Proposed Services Agreements
	<p>years following the initiation date. During the period such Transition Services are provided by BPI, the parties have agreed in principle that the Transition Services will be separately identified, provided and paid for under the Transition Agreement. As and when any of such Transition Services are transitioned to the University (or a third-party service provider designated by the University), such services will be considered Core University Functions and the amounts charged to the University under the Transition Agreement will be reduced as appropriate, as provided below.</p>
<i>Exclusivity:</i>	<p>BPI shall be the exclusive provider to the University of the OPM Services, except that the parties will establish a mutually agreeable protocol by which the University may perform certain OPM Services for itself under certain circumstances.</p> <p>The parties will establish a mutually agreeable protocol for the modification, variation, expansion, addition, suspension, and cessation of specific OPM Services during the term of the OPM Agreement.</p> <p>Unless otherwise agreed by the University, for a period of one year following initiation of the OPM Agreement, the only business to be conducted by BPI shall be the Services; provided, that the foregoing shall not limit BPI's ability to do the following, in each case so long as such business does not have a material adverse impact on the ability of BPI to perform the Services for the University: (i) acquire an existing service provider and to perform OPM Services for clients of such acquired service provider; (ii) Learn@Forbes; and (iii) such other business as may be mutually agreed to by the parties. Thereafter, BPI may conduct any business it chooses (including services substantially similar to the OPM Services for other clients) so long as such business does not have a material adverse impact on the ability of BPI to perform the Services for the University. BPI shall have a right of first refusal to perform OPM Services on the terms set forth herein for any other institution formed, established or acquired by University and operated on an integrated basis, and a right of first offer to perform OPM Services on the terms set by University for any other institution formed, established or acquired by University and operated on a stand-alone basis, in each case subject to applicable regulatory requirements and third party contractual restrictions.</p> <p>The parties will establish a mutually agreeable protocol limiting BPI's ability to provide certain competitive services to the University's competitors.</p>
<i>Standards of Performance</i>	BPI will use commercially reasonable efforts to provide the BPI Services in a good and workmanlike manner in accordance with all applicable

Provision / Term	Terms of Proposed Services Agreements
<i>for the BPI Services:</i>	<p>laws and University policies, and in accordance with generally accepted industry principles and practices, consistent with a level of care and skill ordinarily practiced by the online program management companies then currently providing similar services under similar circumstances at the time the BPI Services are provided. The parties will mutually agree upon appropriate service level agreements ("SLAs") for specified BPI Services, which SLAs will be attached to the definitive OPM Agreement and/or Transition Agreement, as applicable.</p> <p>The parties will establish mutually agreeable remedies and recourse tailored to the SLAs, including, without limitation, service level credits.</p>
<i>Oversight of BPI Services:</i>	<p>Each of the University and BPI will name a point of contact for the BPI Services that are the subject of the Services Agreements. Each party's point of contact shall be responsible for supervising and coordinating the performance of the OPM Services and Transition Services, including using good faith efforts to resolve any disputes or issues that may arise during the performance of the OPM Services and/or the Transition Services on a day-to-day basis.</p> <p>In addition, each of the University and BPI will appoint two persons to serve as members of a Services Agreements conference committee (the "<i>Conference Committee</i>") (at each party's option, one of its two members may be its designated point of contact). The role of the Conference Committee will be advisory only and its purpose will be to promote communication and close coordination and a positive relationship between the parties. For the avoidance of doubt, authority over all University decisions, including, without limitation, over budgetary matters, will remain exclusively with the University and its Board of Trustees such that the University and its Board of Trustees may, without limitation, freely disregard recommendations of the Conference Committee and the members of the Conference Committee. Furthermore, any failure by the members of the Conference Committee to agree upon any given matter will be of no consequence or in any way limit the discretion of the University or its Board of Trustees with respect to such matter.</p> <p>The University's point of contact, and each of its designees on the Conference Committee, shall be free of any conflict of interest with respect to BPI and the Services Agreements as determined under the University's conflict of interest policy. Additionally, the University's point of contact, and each of its designees on the Conference Committee, shall report to the University's Board of Trustees. Any dispute among the parties relating to any OPM Services provided under the OPM Agreement or the Transition Services provided under the Transition Agreement shall be handled as provided below under "Dispute</p>

Provision / Term	Terms of Proposed Services Agreements
	Resolution.”
<i>Compensation for Services Generally:</i>	The parties are committed to ensuring that the aggregate consideration paid to BPI for the OPM Services and Transition Services, when considered together with the consideration paid to BPI in the nonprofit conversion of the University, will not, in the aggregate, exceed the fair value of the benefits to be received by the University in both the conversion and under the Services Agreements. Accordingly, each party will engage an independent third-party valuation expert to perform independent valuation studies to determine the fair market value of the University itself and OPM Services and Transition Services, and the parties will negotiate compensation that is consistent with these independent valuation studies, as further described below.
<i>Compensation for OPM Services:</i>	As compensation to BPI for its provision of the infrastructure necessary to perform, and its performance of, the OPM Services for the University, the University will pay services fees to be mutually agreed to by the parties (the “ <i>OPM Fees</i> ”). The basis for determining the OPM Fees may be revenue sharing, cost plus margin, fixed, or some other mutually agreeable basis, but in no event will the OPM Fees exceed the amount of fees generally paid by similarly-situated educational institutions for similar services under similar circumstances, as demonstrated by the independent valuation studies described above. In connection with the initiation of the OPM Agreement, the parties will negotiate in good faith minimum and maximum OPM Fees for the first two years of the OPM Agreement (the “ <i>Initial Period</i> ”). The OPM Fees will be subject to certain mutually agreeable adjustments to be set forth in the OPM Agreement.
<i>Compensation for Transition Services:</i>	In respect of the Transition Services provided by BPI to the University, the parties will negotiate the amounts to be charged to, and paid by, the University, which amounts will be reflected in the definitive Transition Agreement. Advisors to both the University and BPI will determine the expense costs for the Transition Services, taking into account historical and projected expenses incurred by BPI, the University or both for these areas, while also representing the fair market value of such services.
<i>Adjustment to Compensation in respect of Transition of Transition Services:</i>	Transition Services shall be transitioned to, and performed by, the University (or a third-party service provider designated by the University) as and when determined by the University; provided that Transition Services will transition to, and be performed by, the University within five years of initiation. As and when any Transition Services are transitioned, amounts charged to the University by BPI under the Transition Agreement will be reduced as appropriate, and no

Provision / Term	Terms of Proposed Services Agreements
	<p>longer charged to the University. This process will be transparent and will be negotiated.</p> <p>Upon and following the transition to the University of any Transition Service, the performance of such service shall be the University's responsibility and the manner of performance of such service shall be at the University's sole discretion.</p>
<i>Audit Rights:</i>	Each party will have customary audit rights as necessary to verify the other party's compliance with the terms of, and performance under, the Services Agreements.
<i>Certain Matters Related to Budgeting:</i>	<p>The University shall develop an annual total enrollment budget that will include projected enrollment targets by program and tuition and fees for each such program. Prior to final approval by the University, the University shall provide this budget to BPI for its review and comment, and BPI shall provide the University with input on the projected budget, including any changes that BPI may request in order to deliver the OPM Services. Subject to the minimum fees required to be paid by the University for the OPM Services during the Initial Period, the University will reasonably review any changes or requests suggested by BPI although the University shall have sole and final authority with respect to adoption of this budget.</p> <p>During the third, fourth, and fifth years of the initial term of the OPM Agreement, in the event that the University proposes either to decrease budgeted total enrollment relative to the prior fiscal year or lower budgeted tuition and fees relative to the prior fiscal year, the University shall guarantee to BPI for that year a level of services fees at least equal to a percentage to be mutually agreed upon in the definitive OPM Agreement of the services fees paid in the last fiscal year of the University prior to the imposition of the initial such decrease.</p>
<i>Term:</i>	
<i>Term of OPM Agreement:</i>	<p>The OPM Agreement will have an initial term of ten (10) years, and shall automatically renew for successive five (5) year terms unless a party gives notice of non-renewal at least two (2) years prior to the end of the initial term or any renewal term. All OPM Services performed following notice of non-renewal will be provided at least at the same levels of quality and timeliness of performance as such OPM Services were required to be provided prior to the termination.</p> <p>The parties will establish a mutually agreeable protocol for updating the OPM Services and OPM Fees in connection with each term renewal.</p>

Provision / Term	Terms of Proposed Services Agreements
<i>Term of Transition Agreement:</i>	<p>The Transition Agreement will remain in effect until the earlier of (a) such time as all Transition Services have been transitioned to the University, or (b) the termination or expiration of the OPM Agreement.</p>
<i>Payment on Non-Renewal by the University:</i>	<p>The assets retained by BPI that are to be used to provide the BPI Services were developed by BPI over many years and at significant cost and the University will receive the benefit of that historical and ongoing investment. Consequently, BPI would be harmed if the OPM Agreement were to be terminated prior to the time that BPI has the opportunity to receive fees for services that, when taken together with any consideration paid at the time of conversion, collectively, represent fair consideration for both the conversion transaction and the OPM Services.</p> <p>Accordingly, if the University fails to renew the OPM Agreement at the end of the initial term or the first renewal term, then upon the expiration of the OPM Agreement, the University shall pay to BPI a non-renewal fee to be mutually agreed to by the parties in the OPM Agreement (the “<i>Non-Renewal Fee</i>”). If the OPM Agreement is terminated earlier as a result of a material breach that is not cured, then the Non-Renewal Fee would not be payable.</p>
<i>Termination:</i>	<p>Either party may terminate the OPM Agreement and/or the Transition Agreement for Cause, subject to reasonable cure periods. Any outstanding services fees for OPM Services or Transition Services performed prior to termination owed by the University to BPI would be due and payable upon any such termination, but there would otherwise be no obligation to pay any Non-Renewal Fee, Early Termination Fee, or other fee, payment, or penalty in connection with a termination for cause.</p> <p>Each party will have “<i>Cause</i>” to terminate the Services Agreement upon the occurrence of any of the following:</p> <ul style="list-style-type: none">• material breach of the agreement (including SLAs) by the other party (subject to cure periods to be mutually agreed to by the parties);• insolvency of the other party; and• such other occurrences or circumstances as may be mutually agreed to by the parties. <p>In addition, following the seventh anniversary of the OPM Agreement, and upon at least two (2) years prior notice during the initial term (which, for the avoidance of doubt, may be given at any time after the fifth anniversary of the OPM Agreement) and upon at least one (1) year prior notice during any renewal term, the University may unilaterally terminate the OPM Agreement without cause, so long as the University pays to BPI an early termination fee to be mutually agreed to by the parties in the OPM Agreement (the “<i>Early Termination Fee</i>”). In no</p>

Provision / Term	Terms of Proposed Services Agreements
	event will the Early Termination Fee exceed the sum of (i) the amount by which the Institution FMV exceeds the Additional Consideration and (ii) the product of (x) the average monthly OPM Fees for the 24-month period preceding the termination, multiplied by (y) the number of months remaining in the applicable term at the time of termination.
<i>Transition Services During “Wind Down Period” Upon Termination:</i>	At the University’s option, BPI will continue to perform the OPM Services for up to one year following termination of the OPM Agreement if the OPM Agreement is terminated by the University, or up to two years following termination of the OPM Agreement if the Services Agreement is terminated by BPI. If the OPM Agreement is terminated by BPI as a result of the University’s failure to timely pay applicable services fees, then all past due fees will be paid in full prior to the wind down period and fees during the wind down period shall be paid in advance on a quarterly basis. All OPM Services performed following termination will be provided at least at the same levels of quality and timeliness of performance as such OPM Services were required to be provided prior to the termination.
<i>Indemnification:</i>	BPI will indemnify the University against (a) BPI’s breaches of representations and warranties, (b) BPI’s failure to perform obligations under the Services Agreements, (c) BPI’s fraud, gross negligence or willful misconduct, and (d) third-party claims arising directly from (i) BPI’s performance or non-performance of the OPM Services, (ii) BPI’s violations of applicable laws, including education regulatory laws (to the extent applicable to BPI), (iii) BPI’s violations of WSCUC policies, rules, or standards (to the extent applicable to BPI), or (iv) BPI’s intellectual property infringement. The University will indemnify BPI against (a) the University’s breaches of representations and warranties, (b) the University’s failure to perform obligations under the Services Agreements, (c) the University’s fraud, gross negligence or willful misconduct, and (d) third-party claims arising directly from (i) the University’s violations of applicable laws, including education regulatory laws, (ii) the University’s violations of WSCUC policies, rules, or standards, or (iii) the University’s intellectual property infringement.
<i>Confidentiality, Privacy, and Data Security:</i>	Each party will be subject to mutually agreeable confidentiality, privacy, and data security obligations.
<i>Intellectual Property:</i>	The University shall own and retain all right, title and interest, including all copyrights, trademark rights and other intellectual property rights, in all course content and course materials (“ <i>University IP</i> ”). BPI shall own and retain all right, title and interest, including all copyrights, trademark

Provision / Term	Terms of Proposed Services Agreements
	<p>rights and other intellectual property rights, in its information technology platform and all other technology, computer programs and software source code developed in connection therewith ("BPI IP"). Except as related to University IP and BPI IP, the Services Agreement will include customary joint development provisions regarding all intellectual property developed by BPI in the performance of the OPM Services. Each party shall provide the other party with a non-exclusive, non-transferable, worldwide, royalty-free right and license, without the right to sublicense, to the University IP and BPI IP respectively, solely as needed for BPI to perform, and the University to utilize, the OPM Services.</p>
<i>Limitations on Liability:</i>	<p>Neither party shall be responsible for indirect, special, incidental, punitive, exemplary, or consequential damages.</p> <p>Each party's aggregate liability under the Services Agreements, regardless of the nature of the claim or cause of action, whether in contract, warranty, in tort (including negligence), or strict liability or any other legal theory regarding any claim related in any way to the Services Agreements, is limited to a mutually agreeable cap, less in all circumstances, any amounts previously paid (as of the date of satisfaction of such liability) in satisfaction of any liability under the OPM Agreement or the Transition Agreement, as applicable. Notwithstanding the foregoing, this limitation shall not apply to the University's obligation to pay fees for the Services or to liability or claims arising out of or related to breach of the confidentiality or intellectual property rights provisions of the applicable agreement, for indemnification obligations under the applicable agreement, or for claims based on fraud, gross negligence or willful misconduct.</p>
<i>Insurance:</i>	Each party shall obtain mutually agreeable insurance policies.
<i>Amendments:</i>	In the event of an adverse determination by any applicable regulatory authority (including, without limitation, the United States Department of Education, WSCUC, the Internal Revenue Services, or any similar state regulatory authority) that the Services Agreement (or any part thereof), or any party's performance of its obligations thereunder in a manner consistent with the terms thereof, does not comply with any applicable law, regulation, or accreditation standard or requirement, or in the event of any change in any applicable law, regulation, or accreditation standard or requirement that materially impedes or is reasonably likely to materially impede the terminating party's ability to obtain the benefit of its bargain as reflected in the OPM Agreement or the Transition Agreement, as applicable, then the adversely impacted party may request, and the other party will work with the requesting party in good

Provision / Term	Terms of Proposed Services Agreements
	<p>faith to effect, modifications or amendments to the applicable Services Agreement to remedy the impact of such adverse determination or change in law, regulation, or accreditation standard or requirement (including changes to the economic terms to mitigate the impact of any such modifications).</p> <p>In the event of material change in the University's operations or needs for OPM Services, the University may request, and BPI will work with the University in good faith to effect, modifications or amendments to the OPM Agreement (including changes to the OPM Services and related economic terms) as reasonably necessary in light of such material change or to otherwise accommodate the University's then-current needs.</p> <p>The parties will establish a mutually agreeable protocol for addressing a situation in which the parties are unable to mutually agree upon any necessary modification or amendment or in which no modification or amendment would be sufficient to bring a Services Agreement into compliance with applicable law.</p>
<i>Dispute Resolution:</i>	In the case of a dispute that cannot be resolved by each party's point of contact, resolution of the dispute shall be elevated to a designated senior executive of each party who shall work together in good faith to resolve the dispute. If not resolved in this fashion, then each party agrees to submit first to mediation, and then to binding arbitration, in each case to be conducted by an agreed organization.
<i>Subcontracting and Assignment:</i>	BPI shall not subcontract any of the OPM Services or Transition Services without the prior written consent of the University, not to be unreasonably withheld. Other than the assignment by operation of law to AU NFP resulting from the nonprofit conversion and associated merger contemplated in connection with the Services Agreements, neither party may assign or subcontract (whether by change of control, operation of law, or otherwise) the Services Agreements or any of their rights or obligations under the Services Agreements without the prior written consent of the other, not to be unreasonably withheld.

Exhibit A

List of OPM Services

- Enrollment
 - Student recruitment and pre-applicant screening
 - Student marketing and advertising
 - Corporate partnership recruitment
 - Student advisors (other than academic advisors)
- Financial Aid
 - Initial counseling of applicants for all forms of financial aid (including VA and TA)
 - Document collection to produce completed financial aid application
- Institutional Support
 - Data management and business analysis
 - Operational reporting
- Information technology
 - Systems and networking support
 - Classroom technology
 - Learning management system
 - Constellation
 - Library system and rights management
 - Web design and maintenance
 - Data warehouse and data analytics
 - Data management and governance (privacy and access management)
 - IT security (for BPI systems)
- Support Services for Academics
 - Instructional design and project management for integration of curriculum content into Learning Management System (“LMS”) shell
 - Support for accessibility-related course needs
 - Administration of 3rd party tutoring contracts
 - Student and faculty help desk for courses
 - Library administration, including librarians and collection curation
 - Writing center support services
 - Waypoint

Exhibit B

List of Core University Functions

- Faculty Instruction
 - Course construction and production
 - Development of course syllabi
 - Curriculum development and course sequencing
 - Establishment of degree programs, degree levels, student learning outcomes, course objectives and number of credits
 - Assessing student learning, including assigning grades
 - The University's various schools and colleges, including honors, doctoral, business and technology, education, health, human services, and science, liberal arts and general education
 - Faculty research
- Academic support
 - Academic advising (Faculty advising specifically)
 - Peer counseling (Faculty)
 - Content design and course development
 - Initial course development
 - Review and approval of course design, including use of third-party vendors
 - Final approval of completed course
 - Independent ability to make small changes to completed course
 - Academic program portfolio management
 - Copyrights for courses and programs
 - Library holdings and services
 - Institutional research and reporting
 - Data analytics
 - Institutional effectiveness and learning assessment, including program reviews
 - Assessment and evaluation of prior learning
- Enrollment
 - Establishing admission requirements and exceptions, admission and matriculation of students, including decisions regarding re-entry, re-admission, retention, withdrawal, academic standing, and dismissal
 - Student orientation
 - Registrar and student records management
 - Registering students in classes
 - Awarding and recording credit
 - Degree audit
 - Maintaining records of student performance
 - Handling appeals and exceptions to academic policies and requirements
 - Risk mitigation /student fraud management
 - Transcript requesting and receiving
 - Student dispute resolution

- Veteran's benefits and military tuition assistance certification and management
- Federal and state financial aid administration and quality assurance oversight
- Federal work study management
- Student Life
 - Access and wellness
 - Disability accommodations
 - Crisis intervention
 - Student engagement programs
 - Student affinity clubs and organizations
 - Student honors
 - Student mentorship
 - Career services
 - Student retention and success/coaching
 - Student veterans services
- Institutional Advancement
 - Fundraising
 - Alumni relations
- External relations
 - Accreditation
 - Regulatory compliance and governmental relations
 - State regulatory group
 - Federal regulatory group
 - Community colleges relationships
 - Community relations
 - Public relations and communications oversight
 - Relationship with Forbes Media
 - Relationship with US military
- Institutional support
 - Legal affairs
 - Strategic planning
 - Finance
 - Budget development
 - Audit
 - Auditing of AU and BPI contract services
 - ✓ Annual financial reporting
 - ✓ Reviews of BPI financial aid packaging and recruitment processes
 - Human Resources
 - HR policies and procedures/employee and faculty handbooks
 - Salary administration oversight (AU salary structure)
 - Late stage recruitment and selection of staff and course instructors and assistants
 - Employment of faculty and staff
 - Staff and faculty performance evaluation
 - Faculty training and development

- o Risk management and insurance
- Continuing education and professional development

Exhibit C

Transition Services

- External relations
 - Public relations and communications administrative support
- Institutional support
 - Finance
 - Treasury management
 - ✓ Cash management
 - ✓ Banking relationships
 - ✓ Debt management
 - Accounting and reporting, including financial statement development
 - Financial analysis
 - Human resources
 - Employee benefits
 - Payroll and related taxes
 - Compensation administration--using AU compensation ranges
 - Staff recruitment support
 - Faculty recruitment support
 - Employee relations and counseling
 - Employee training and development
 - Federal work study payroll administration
 - Purchasing
- Facilities management (at end of current leases)
- Information technology
 - Telephone system
 - Desktop support, including email
 - Financial information system
 - Human resources system
 - Student information system
 - Academic/business systems analytics
 - Systems and networking support
 - Systems integration and interface
 - Document imaging services
 - IT security (for University systems)
- Financial aid and student accounts processing
 - Financial aid review, awarding and processing
 - Collections
 - Quality assurance